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ANNUAL ACTIVITY REPORT

1990 - 1991

Environmental Impact Review Board

ENVIRONMENTAL IMPACT REVIEW BOARD

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CHAIRMAN'S COMMENTS

The past year was an extremely busy and controversial one for the **Environmental Impact Review Board (EIRB)**.

Early in April, 1990, **Gulf Canada Resources Limited** submitted an Environmental Impact Statement (EIS) for the proposed **Kulluk Drilling Program 1990-1992**. In June of that year, a Public Review was held in Inuvik. The Review Panel recommended rejection of the proposal.

A detailed report on the **Gulf Canada Resources Limited Kulluk Drilling Program 1990-1992 Public Review** was issued to the Government of Canada and released to the public on June 29, 1990. This report cited the reasons for the decision, and included nine recommendations intended to facilitate consideration of future drilling programs. The report was highly critical of the lack of preparedness evident, in both government and industry, in the event of an oil spill.

A serious disagreement developed between the Canada Oil and Gas Land Administration (COGLA) and the **EIRB** over interpretation of Section 11(29) of the Inuvialuit Final Agreement. The **EIRB** and its legal counsel believe that if COGLA officials are unable or unwilling to accept the recommendations of the Board, the reasons for this rejection must be made public, in writing, within thirty (30) days of release of the **EIRB** decision. COGLA countered that the thirty (30) day response period started only once they, as the government regulatory authority, decided to accept, modify or reject the Board's recommendations. In theory, the COGLA approach has no time limit, and the recommendations of the Review Board Members might never be dealt with. Indeed, the **EIRB** has not yet been told what decision, if any, was reached regarding the **Gulf Canada Resources Limited Kulluk Drilling Program 1990-1992**, ten months after the conclusion of the Public Review.

This dispute has not yet been resolved, but the Minister of Indian Affairs and Northern Development has agreed to settle this disagreement with the Inuvialuit Regional Corporation before the **EIRB** holds another public review.

To deal with the recommendations made by the **EIRB** in both the **Esso Chevron et al. Isserk I-15 Drilling Program Public Review**, and the **Gulf Canada Resources Limited Kulluk Drilling Program 1990-1992 Public Review**, the Minister of Indian Affairs and Northern Development established the Beaufort Sea Steering Committee (BSSC) in September, 1990. The BSSC coordinates the work of six task groups examining the Board's recommendations. The result of this work is expected to be released in April, 1991.

At the end of October, 1990, the **EIRB** conducted a major workshop on wildlife compensation issues. Members of the **Environmental Impact Screening Committee** and the **Inuvialuit Game Council** also attended. Dr. Andrew Thompson organized the workshop sessions, which all of the participants considered worthwhile and beneficial.

Quite a lot of time was spent during the latter half of this fiscal year preparing budget estimates and activity forecasts intended for a submission to the federal Treasury Board to deal with implementation funding levels for the next five years. The effort consumed tremendous amounts of time and energy, yet did not seem to accomplish very much. A better method of dealing with financial matters must be developed by the Joint Secretariat and the Department of Indian Affairs and Northern Development to reduce the proportion of staff time devoted to budget development.

During fiscal year 1991 - 1992, the **EIRB** will undertake an in-depth review of its Operating Procedures, By-laws, and internal organization. Comments will be solicited from the Inuvialuit, the Government of Canada, industry, and the joint management organizations established by the IFA. The unique circumstances in which the **EIRB** must operate require innovative procedures, acceptable to both parties to the IFA, to make the environmental impact screening and review provisions of the IFA work.

There are no public reviews on the horizon at present. The oil and natural gas exploration industry is experiencing a downturn, so very little money is available for expensive frontier work. This hiatus provides a timely opportunity to digest what has been learned and to prepare for future activity. There are many outstanding issues that can be addressed during this interval of relative calm.

I will take this opportunity to express my appreciation to the Members, our expert Consultants, and our Staff, for their hard work, dedication, and support during the 1990 - 1991 fiscal year.

J. I. Livingstone

James I. Livingstone
Chairman

PERIOD OF REPORT

This report describes the affairs of the **EIRB** for the fiscal period April 1, 1990 to March 31, 1991.

This is the fourth Annual Activity Report of the **EIRB**, marking the Board's fifth full year of operation.

AUTHORITY OF THE ENVIRONMENTAL IMPACT REVIEW BOARD

The **EIRB** was established under the terms of the Inuvialuit Final Agreement (IFA) between Canada and the Committee for Original Peoples Entitlement (COPE). The Inuvialuit Final Agreement was approved, given effect, and declared valid by the Western Arctic (Inuvialuit) Claims Settlement Act [S.C. 32 - 33 Elizabeth II, C.24.], on 28 June, 1984.

As an environmental impact assessment and review body for any development referred to it pursuant to the Inuvialuit Final Agreement, the **EIRB** is structured so that both parties to the IFA are represented equally.

MEMBERSHIP

The **EIRB** itself is composed of seven people. Three Members are appointed by Canada, three Members are appointed by the Inuvialuit Game Council, and a Chairman is selected by the Government of Canada with the consent of the Inuvialuit Game Council.

Professional legal counsel has been provided by the same firm since the formation of the **EIRB** in 1986. Independent expert technical advice is contracted as required.

The Secretary is the only full-time official of the **EIRB**.

During the period of this report, the following individuals comprised the **EIRB**. [The appointing body for each Member is listed in brackets.]

Membership

Chairman:

James I. Livingstone	(appointed by Order-In-Council of the Government of Canada, with the consent of the Inuvialuit, on January 5, 1989)

Members:

Ewan Cotterill	(Government of Canada)
Albert Elias	(Inuvialuit Game Council)
Nelson Green	(Inuvialuit Game Council)
Calvin Pokiak	(Inuvialuit Game Council)
Mel Smith	(Government of the Northwest Territories)
Mike Stutter	(Government of Yukon)

Staff

Secretary:

Gary Wagner	(appointed by Resolution of the Board)

Legal Counsel:

Dr. Andrew Thompson H.C. Ritchie Clark	Ferguson Gifford, Vancouver

Technical Consultants:

William Scott	Digger Resources, Calgary, Alberta
Dr. Rolph Davis	LGL Limited, King City, Ontario
Laurie Solsberg	Counterspil Research Inc., Vancouver, B.C.

Auditors:

Hinchey, Wowk, Williams, Avery and Co. (CGA) Yellowknife, NWT

OPERATING PROCEDURES

Those persons interested in obtaining a copy of the **Environmental Impact Review Board's** current Operating Procedures, completed in September 1989, or those individuals or organizations having questions relating to the work of the **EIRB**, can contact:

Secretary
Environmental Impact Review Board
P.O. Box 2120
Inuvik, Northwest Territories
CANADA X0E 0T0

telephone: (403) 979 - 2828
facsimile: (403) 979 - 2610

The **EIRB** is preparing to conduct an in-depth review of its own Operating Procedures later this year. The result will be an updated version that takes into account the lessons learned since 1989.

ADMINISTRATION

The **EIRB** receives administrative and technical support from the **Joint Secretariat** in Inuvik. The **Joint Secretariat** also supports several other renewable resource organizations involved in joint resource management under the Inuvialuit Final Agreement:

Environmental Impact Screening Committee [EISC]

Fisheries Joint Management Committee [FJMC]

Wildlife Management Advisory Council (Northwest Territories) [WMAC(NWT)]

Inuvialuit Game Council [IGC]

- including the **Inuvialuit Harvest Study**

The Chairmen of each of the joint management bodies sit on the Board of Directors of the **Joint Secretariat.**

The **Joint Secretariat** also provides integrated office and financial administration services.

The **EIRB** receives full-time technical and administrative support from the **Resource Person - Environment** on staff at the **Joint Secretariat,** who is also appointed to the office of **Secretary.**

ROUTINE OPERATIONS

During the period of this report, the **EIRB** held five two-day meetings, one of which was in conjunction with the second **Yukon North Slope Annual Conference** held in Dawson City, Yukon, in May.

The **EIRB** also conducted a very valuable three-day **Workshop on Wildlife Compensation** in October, 1990.

REFERRALS

1. Gulf Canada Resources Limited **Kulluk Drilling Program 1990-1992**

   A Public Review of the **Gulf Canada Resources Limited Kulluk Drilling Program 1990-1992** proposal commenced in Inuvik on June 4, 1990. The proceedings closed on June 18, 1990. Over 1200 pages of verbatim transcript were recorded during the proceedings, and more than 140 documents were examined before and during the Public Review. Numerous organizations took part, and dozens of individuals from government, industry, and the public attended. The local and national media were in evidence throughout.

   The **Final Report** is 81 pages long. It makes 9 recommendations to the Government of Canada on many aspects of the development proposal. The most significant recommendation is that the **Gulf Canada Resources Limited Kulluk Drilling Program 1990-1992** ***should not be approved.***

   Copies of the **Final Report** on the **Public Review of the Gulf Canada Resources Limited Kulluk Drilling Program 1990-1992** are available from the Secretary.

2. Amoco Canada Petroleum Company Ltd. 1991 South Kogyuk Drilling Program

In April of 1990, the Environmental Impact Screening Committee referred to the **EIRB** a proposal from **Amoco Canada Petroleum Company Ltd.** to drill a well in the Beaufort Sea.

Due to a variety of factors, the company decided to withdraw their proposal from consideration by the **EIRB** in November, 1990.

Two months later, Amoco asked the **EIRB** to reinstate the proposal so that preparations for a Public Review could go ahead. This request was granted on January 30, 1991, and both Amoco and the **EIRB** commenced preparations for a Public Review later that spring.

One day before the scheduled submission of documents required for the purpose of the Public Review, Amoco decided once again to withdraw their proposal from the Public Review process. At the time of the writing of this report, preparation for a Public Review of the 1991 South Kogyuk Drilling Program was still suspended.

FINANCES

Funding for the **EIRB** is accomplished through Contribution Agreements with the Department of Indian Affairs and Northern Development (DIAND), and the Government of the Northwest Territories (GNWT).

The time and expenses of the Member designated by the Government of Yukon are paid for from special funds provided for that purpose. The Government of Yukon also supports a secretariat in Whitehorse that provides services similar to those supplied by the **Joint Secretariat** in Inuvik.

An unaudited summary of the finances of the Environmental Impact Review Board is attached as Appendix A.

APPENDIX A

Environmental Impact Review Board

Annual Activity Report

1989 - 1990

Financial Summary

JOINT SECRETARIAT: OPERATIONS AND MAINTENANCE

Environmental Impact Review Board
Chairman Category

For the Year Ended March 31, 1991

REVENUE: DIAND Contribution	**$104,100.00**
EXPENDITURE	
Honoraria	$17,250.00
Per Diem	$1,725.60
Travel & Accommodation	$7,009.14
Office Costs	$305.34
Telephone & Fax	$2,545.34
Meeting Costs	$1,791.66
Workshops	$32,574.34
Consulting	$125.00
Legal	$6,581.31
Canada Member - Honoraria	$4,875.00
Canada Member - Per Diem	$0.00
Canada Member - Travel & Accomm.	$925.20
Printing	$1,171.28
G.S.T.	$688.58
TOTAL	**$77,567.79**
SURPLUS (DEFICIT)	**$26,532.21**

JOINT SECRETARIAT: OPERATIONS AND MAINTENANCE

Environmental Impact Screening and Review Process
Administration

For the Year Ended March 31, 1991

REVENUE: DIAND Contribution	**$177,332.00**
EXPENDITURE	
Office Consumables	$6,220.42
Rent	$15,000.00
Utilities	$2,640.00
Telephone & Fax	$7,593.95
Fixed Assets	$7,866.94
Travel & Accommodation	$17,799.13
Staff Development	$3,185.63
Wages & Benefits	$105,489.33
G.S.T.	$996.35
TOTAL	**$166,791.75**
SURPLUS (DEFICIT)	**$10,540.25**

NOTE: Approximately fifty percent of this category was expended to support the Environmental Impact Screening Committee.

JOINT SECRETARIAT: OPERATIONS AND MAINTENANCE

Environmental Impact Review Board
Inuvialuit Participation

For the Year Ended March 31, 1991

REVENUE: G.N.W.T. Contribution	$27,878.22
EXPENDITURE	
Honoraria	$9,043.96
Per Diem	$3,500.00
Travel	$9,736.65
Accommodation	$5,289.90
G.S.T.	$307.71
TOTAL	$27,878.22
SURPLUS (DEFICIT)	$0.00

JOINT SECRETARIAT: OPERATIONS AND MAINTENANCE

Environmental Impact Review Board

Gulf Canada Resources Limited Kulluk Drilling Program 1990-1992 Public Review

For the Year Ended March 31, 1991

REVENUE: D.I.A.N.D. Contribution	$253,700.00
EXPENDITURE	
Staff Support	$11,494.01
Office Consumables	$9,318.39
Telephone & Fax	$5,838.34
Advertising	$1,929.07
Facilities	$2,550.00
Ground Transportation	$3,290.90
Sound System	$10,674.03
Translation Services	$830.00
Transcription Services	$14,130.99
Meeting Expenses	$1,719.13
Legal	$93,346.95
Consulting	$92,400.41
Honoraria/Per Diem - Chairman	$15,611.70
Honoraria/Per Diem - Canada Member	$13,838.85
Travel/Accommodation - Chairman	$6,095.70
Travel/Accommodation - Canada Member	$6,691.25
TOTAL	$289,759.72
SURPLUS (DEFICIT)	($36,059.72)

JOINT SECRETARIAT: OPERATIONS AND MAINTENANCE

Environmental Impact Review Board

Gulf Canada Resources Limited Kulluk Drilling Program 1990-1992
Public Review

Inuvialuit Participation

For the Year Ended March 31, 1991

REVENUE: G.N.W.T. Contribution	$24,272.18
EXPENDITURE	
Honoraria	$7,680.68
Per Diem	$2,940.30
Travel	$7,995.00
Accommodation	$5,656.20
G.S.T.	$0.00
TOTAL	$24, 272.18
SURPLUS (DEFICIT)	$0.00